AMMI 7752 North 9150 West Lehi, Utah 84043

May 19, 2010

State of Utah

Department of Natural Resources Attn: Paul Baker or Tom Munson

RE: Letter dated April 27, 2010 (\$0190035)

Dear Sirs,

AMMI (Absolute mining and minerals Inc.) has mined on a small mining operation for many years and continues to mine as recent as three weeks ago. This is a small mining operation as the permit indicates. The people that were on the property mining were Ron White & his father James White, Frank Snyder, Clint Snyder & Brad Snyder. We have also had many meetings with people from your office within the last five years as your corresponding letters will indicate. We have complied with all your reclamation requests including requests for reclamation outside of our 4 ½ acre mining boundaries. We have maintained the claims since 1994 and wish to continue. Please update your records to show our continued efforts to mine this property under permit # S0190035

Our position has not changed and we hope to resolve this without further delay and inconvenience however if you insist on revoking my permit, we formally request a hearing with Federal Judge Switzer or his current alternate.

Enclosed is a copy of certified letter sent Feb. 13, 2008 concerning this same subject matter.

Sincerely,

AMMI

Dale Snyder

RECEIVED

MAY 2 0 2010

DIV. OF OIL, GAS & MINING



Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

April 27, 2010

CERTIFIED RETURN RECEIPT and by Regular Mail 7002 0510 0003 8603 3684

Dale Snyder Absolute Mining and Minerals 7752 North 9150 West Lehi, Utah 84043

Subject: Reclamation Required, Permit Revoked, Absolute Mining and Minerals; AMMI Mine:

S0190035; Grand County, Utah

Dear Mr. Snyder:

According to the Division's records, the referenced mine has been inactive for a period of greater then 10 years, and by the requirements of R647-3-113, the Division is obligated to require complete reclamation. This reclamation must be completed no later than June 15, 2010. If you fail to complete reclamation within this time period, the Division will seek forfeiture of the reclamation surety and approval from the Board of Oil, Gas and Mining (Board) to conduct the reclamation and recover costs and expenses of reclamation, together with costs of collection, in a civil action brought by the attorney general.

By letter dated December 20, 2007, and in cooperation with the Bureau of Land Management, the Division required that you increase the reclamation surety for this site by \$72,640.00, and this was not received by the deadline of January 31, 2008. Failure to furnish and maintain reclamation surety results in a withdrawal of the notice of intention as provided in Section 40-8-16 subject to an opportunity for a hearing before the Board. If you desire to request this hearing, please make the request no later than May

If you have questions about this letter, please call Paul Baker at 801-538-5261 or Tom Munson at 801-538-5321.

Talked to Paul may 18th

Sincerely,

Enily Berry

Dana Dean, PE

Associate Director of Mining

DD:tm:pb

Marie mcgann@blm.gov

Steve Alder and Fred Donaldson, Assistant Attorneys General

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MAY 2 0 2010

7752 North 9150 West Lehi, Utah 84043

DIV. OF OIL, GAS & MINING

February 13, 2008

United States Dept. of Interior BLM Moab Field Office 82 East Dogwood Moab, Utah 84532

In reply to: 3809 U-062 UTU-72488

In regards to: Bond Increase and Modified Mining Plan of Operations

To Whom It May Concern:

In regards to case file UTU-72488. Please take note of the following information enclosed.

- Letter Dated January 11, 2007. CC Opie Abeyta-DOGM Paul Baker and DOGM Beth Ericksen
- 2. Letter Dated September 3, 2004 CC DOGM Daron R. Haddock.
- 3. Letter Dated July 3, 2003. CC Denice Swanke. Moab BLM
- 4. Letter Dated May 31, 2001. CC Brent Northrup Moab BLM, Mary Ann Wright DOGM. Tony Gallegos DOGM
- 5. Letter Dated May 2, 2001. CC Brent Northrup Moab BLM, Mary Ann Wright DOGM, Tony Gallegos DOGM
- 6. Letter Dated April 11, 2000 CC Sal Venticinque Moab BLM.

Please read these letters, which were previously supplied to your office and have now been reissued to you by AMMI.

It is our position that the first paragraph of your letter Dated January 17, 2008 has been answered by the above information.

In answer to the Plan of Operation,

Quote: "The plan of operation will be issued for a term of three years AND WILL BE EXTEDED IF IT CONTINUES TO BE USED FOR AUTHORIZED PURPOSE."

Permit # S-190035 has been renewed every year in the sum of \$150.00 and currently valid today. In reference to the letter #2 as indicated, we are still operating in good standing.

No changes in our Plan of Operation have been made or are expected to be made. There are absolutely NO CHEMICALS stored on the property.

We have complied with all the requirements as to reclamation and reseeding of property under direct supervision of Paul Baker DOGM. Letter #3 this reclamation was outside of our disturbance boundaries. (Areas which was mined prior to our acquisition in 1994, this reclamation was done at no charge to the BLM)

We have supplied culverts and rebuilt access roads that were washed out leading to the mine site (No Charge). We have paid the BLM approximately \$40,000.00 in claim fees for thousands of acres of land to be mined at some time in the future. We are currently permitted for, and agree to only disturb 4 ½ acres of the thousands which we pay on.

In answer to your demand for an additional \$72,640.00 we are at a loss for words...

In reference to your statement "your operations has been inactive for approximately 12 years." As your letter indicates, you have randomly picked \$72,640.00 Plus \$8,200.00 already in your possession as a reasonable amount to offset our inactive operation! This appears to be an effort to run us off the property. We are active and as you can see by the enclosed letters we are in compliance. In checking local real estate prices, ground in Dewey with water can be purchased cheaper per acre than your random number \$72,640.00 plus \$8,200.00.

\$80,840.00 (reclamation bond) for the right to disturb 4 ½ acres is completely out of line. We have complied with all reclamation requirements that have been asked of us to Date, there is just no reason to consider any other contractor to reclaim the 4 ½ acres allowed in our permit. We feel that under the circumstances the \$8,200.00 which we initially agreed on is adequate for our purpose.

Removal of Old fuel tanks shown in Photo #1 will not be a problem these tanks have been empty for years and were inherited from previous owners. 55 gallon fuel barrels are also empty and can be removed immediately. The Railroad Tank is designed and plumbed in for our pressure water inside the Building and is an intricate part of our water system, removing this would be impractical until our mining is complete. The Railroad tank has never had anything in it except water.

It is our intent to continue mining operations as we contracted with you. We will continue to work with your various agencies for a common goal. It is not our intent nor has it ever been our intent to harm the environment. We would like to point out your logo on the upper right of your letter head (Take Pride In America) The BLM represents the United States of America, AMMI contracted with the United States of America to mine this property, we agreed on \$8,200.00 to disturb 4 ½ acres. We agreed to pay annual maintenance fees and permit fees. We have complied in every part of our agreement.

We feel that your position is changing after the fact, these changes are not fair and are totally one sided for your benefit. We truly want to continue with a good working relationship with all parties, However if this cannot be accomplished, we would like this letter to be your formal notification for scheduling another hearing with The Federal Judge Switzer or his current alternate, to plead our Position.

Sincerely,

AMMI Dale G. Snyder

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